

The American Observer

A free, virtuous, and enlightened people must know well the great principles and causes on which their happiness depends. -- James Monroe

VOLUME IX, NUMBER 26

WASHINGTON, D. C.

MARCH 18, 1940

TNEC Investigates Insurance Companies

Giant Concerns Have Vital Effect Upon Economic Life of United States

IMPORTANT ISSUES RAISED

Whole Question of Government's Relation to Private Companies Is Widely Discussed

For more than a year, the Temporary National Economic Committee, popularly referred to as the "monopoly committee," has been turning its spotlight upon the insurance companies of the United States. It has been assisted in this investigation by members of the Securities and Exchange Commission, a permanent agency of the federal government whose main purpose is to regulate the stock exchanges of the country. The insurance investigation is but a part of the general work of the TNEC, which was created for the purpose of studying our economic structure in order to determine what is wrong with it at present. For the most part, the committee has turned its attention to the concentration of economic power in the United States.

The Insurance Investigation

The investigation of the insurance business naturally fits into this general purpose of the committee, for the insurance business is admittedly one of the largest and strongest in the nation; one which directly affects the lives of practically every person. The facts which have been brought out at the committee hearings, when pieced together, give the clearest picture yet presented of a giant industry. In certain respects, the insurance business is more powerful than the federal government itself. Certainly its rapid growth constitutes one of the most dramatic chapters in the history of American economic life.

The Temporary National Economic Committee declares that it is not conducting an inquisition against the private insurance companies, but rather is merely trying to find out facts relating to the size of the industry, the manner in which it is run, and, if possible, its effects upon the national economy. Many insurance companies, however, have misgivings about the investigation. They are afraid that it is the first step in the direction of greater governmental control over insurance companies, perhaps even governmental entrance into the insurance business.

Whatever the results of the investigation, it has already thrown considerable light upon the insurance business and has called people's attention to the whole question of insurance—public as well as private. We shall attempt, in this article, to examine the more important facts about insurance brought out by the committee and then to consider the issues which have been raised and which are likely to be widely discussed throughout the country during the months ahead.

That insurance plays a vital part in the lives of most people no one can deny. More and more, people are coming to realize that they need protection against certain of the hazards of life. Experience has taught them that they cannot always count on their own efforts for security against unforeseeable perils. If they could work steadily, save money to meet unexpected expenses and to care for their families in

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UNEMPLOYED MAN

COMMITTEE ON ECONOMIC SECURITY

Advice to Rebels

By WALTER E. MYER

About this time of year a good many students are running up against disappointments. They are finding courses which they do not like. Part of their work is pleasant enough, but there are subjects which seem especially difficult, uninteresting, or useless. The inclination will be to slight these courses. Students who are somewhat indolent will use them as excuses to avoid work. They will ask what is the use of plowing through subjects from which they will derive no benefit. With these indolent students we are not so much concerned. They will find some kind of excuse for inattention to their work anyway. But there are other students, energetic and ambitious, who may shun courses which are not particularly appealing. They may argue with good conscience that their full time should be given to fields which seem pleasant and promising. They may contend that certain of the courses are dull or stupid or that they have no value. Spirited students often rebel against the routines of school life and insist that they should be free to devote themselves to their own interests.

There is something to the objections which are sometimes raised against school and college routines. It is a fact that useless material often finds a place in a curriculum, while many vital problems are neglected. No student should go ahead year after year doing work which seems undesirable or useless. No young person should permanently permit himself to be a mere cog in an educational machine. It is a great mistake, however, for a student to jump too quickly to the conclusion that a subject is useless merely because, at the first sampling, he cannot see its value. One should give any course a fair trial of sound study before forming an adverse judgment respecting it.

Here is another consideration to keep in mind: It is very important that each student should form the habit of sticking to a job in the face of difficulties. It means something for one to meet requirements squarely and to go through with a course which has been selected; to go through it without squealing or shirking. After all, there is a great deal that is not pleasant in every position, whether in school or outside. Few people can find success by flitting about like butterflies from one flower to another, sipping sweets and avoiding everything which is disagreeable; everything which calls for untiring effort. It means something for one to prove that he can meet and conquer difficult situations. Our advice, then, to the young rebel is to put down the rebellion in his soul until he has proved that he is not holding back because of indolence, timidity, or short-sightedness. Eventually he must choose his activities in the light of his own reason. But for a while he should give great weight to the opinions of educational authorities. He will do well to prove to himself, and others, that he can master the courses which are presented, taking the bitter with the sweet.

Eire Remains Aloof From War in Europe

Irish Reluctant to Aid Britain Until Demands for Unified Ireland Are Met

I.R.A. PRESENTS DIFFICULTIES

Although Government of Eire Favors Conciliation, Its Hand May Be Forced by Extremists

Only one major unit of the British Empire still remains at peace today. It is not New Zealand, Tanganyika, or any other British territory at the ends of the earth, but Eire (formerly the Irish Free State) which is a part of the British Isles, and lies so close to Britain that it can be seen from Wales and Scotland on a clear day.

Toward the present war in Europe the government of Eire has adopted a policy of strict neutrality. Relations with England are friendly, but formal. Relations with Germany are cool, but not unfriendly. Eire maintains a small legation staff in Berlin, while Germany maintains a large legation staff in Dublin. German and British warships alike must stay out of Eire's territorial waters or risk being interned. A British war plane landing by accident in Eire will be interned just as surely as a German plane landing under similar conditions. It is a curious situation—particularly so since George VI is King both of Great Britain and of Eire. As King of England, the Dominions, and as Emperor of India, he is a monarch at war with Germany. As King of Eire, he is a sovereign whose ministers are accredited, as those of a friendly state, in Berlin.

Northern Ireland

To make matters even more complicated, a part of Ireland is already at war. The six counties of Ulster, known as Northern Ireland, are not controlled by the government of Eire, in Dublin, but they are united with Great Britain as a part of the United Kingdom. Therefore, these six counties—with a sixth of the land and a third of the population of Ireland—are at war with Germany.

Travelers who have made the short boat trip by night from England across the Irish Sea, or the narrow St. George's Channel, to Eire, report that it is like moving from night into day. In English cities the nights are as black as pitch; shades are drawn on trains, electric signs have been switched off, and ships move in and out of harbors without lights. Here and there are signs pointing to bombproof shelters, and now and then the murky air may be split by the shrill whine of an air-raid siren.

In Eire there is more activity than usual in cities and towns because the war has created a better market for Irish goods and has improved business. In the cities along the east coast, lights are dimmed at night because the glare is sometimes reflected on the west coast of Great Britain. But otherwise the face of Eire has not been changed as the face of England has been changed. In Dublin, the capital, for example, the voices and figures of children are heard and seen, whereas the British capital is more subdued and older-looking—many of its children having been sent into the country for safety. Since this is still the season of the great rains and winds, few travelers are seen along the lonely roads of Eire. Most of the country people remain within their whitewashed farmhouses, sheltered by thatched roofs, while the wind snatches wisps of smoke away from the

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A TYPICAL CITY IN WHAT WAS FORMERLY SOUTH SERBIA

- Straight Thinking -

XXV. Basis for Appraisal

SEVERAL times in our history the American people have elected to the presidency a military hero. The choice has not always been a happy one. General Harrison, General Taylor, General Grant—these men were poorly equipped for the high office to which they were elected. The people were guilty of crooked thinking when they made these selections—a kind of crooked thinking which is very common in our own day. They thought crookedly in assuming that if a man were eminently successful in one line of work, he could be depended upon to succeed in any other line.

If a man succeeds as a general, it may be assumed that he possesses certain powers of leadership; certain powers of organization. He can handle men provided he has complete authority over them and can issue commands which they are obliged to obey. The fact, however, that one can command men successfully and can checkmate the operations of opposing armies does not indicate that he understands complex economic and political problems. It indicates nothing whatever about his ability to persuade men to adopt the policies which he advocates. In other words, one's being a good general is no assurance whatever that he will be a good political leader. In choosing a president, a straight-thinking public will choose a man who has proved himself successful—or who gives promise of doing so—in performing operations similar to those which a president will be called upon to perform.

There is scarcely a community which has not witnessed crooked thinking of the kind which has been described. In some town, for example, a man will stand out as a successful money-maker. He has perhaps built up a large business. He is the leading financier and businessman of the community. Someone gets the idea that he surely would be a competent member of the board of education. Others fall in line and the man is elected. Yet he may know little or nothing about the problems facing the schools, about the needs of education or

the methods by which education is provided for the young people of the community.

Straight-thinking voters will study the requirements of each office. They will try to determine what qualities are necessary for success in filling the office. They will then seek men or women who show evidence of possessing these qualities. If possible, they will choose those who have succeeded in activities similar to those which are characteristic of the office to be filled.

In addition, the intelligent voter will make sure that the candidate for whom he votes most nearly represents his own views on social and economic problems. Too frequently, voters are swayed by other considerations. They like either a candidate's looks or his way of speaking or something about his family life. They pay little or no attention to the stand he takes on the big issues of the public life. It is safe to assume that only a fraction of the nation's voters are even vaguely familiar with the position taken on these issues by the candidate for whom they vote or with his ability to fill the office for which he is running.

What the Magazines Say

THE "Vanishing American Indian" has been a problem in the United States since the white man conquered the last of the Indian tribes. Faced with the problem of creating a place for the proud and independent Indian in a civilized white society, early government officials did little except to try to eliminate the Indian from the American landscape. In *Survey Graphic* for March, Alden Stevens gives a brief history of the trends in government administration of Indian affairs.

In "Whither the American Indian?" Mr. Alden points out the well-known story of the exploitation of the red man—broken treaties, military suppression, and unfair seizure of his lands. Although government offi-



cials as early as Abraham Lincoln recognized the need for reform, it was not until 1928 that the Office of Indian Affairs under Charles Rhoads and Henry Scattergood began making the government a helpful friend to the Indians instead of a dominating overseer.

When John Collier became commissioner of Indian affairs, writes Mr. Stevens, a positive program for the Indians began. The Indian Reorganization Act gave the Indians a chance to get back on their own feet. Although not all the tribes have accepted the chance, Mr. Stevens reports definite success among those who have. Seventy-five tribes have been incorporated with a great deal of success. Some run their own trading posts;

Professor Roucek Gives Valuable Description of Balkans' Problems

FOR generations those countries in south-eastern Europe which are known as the Balkans, have been the scene of conflict between larger powers of Europe and Asia and of constant struggles among themselves. The World War was set off by a shot fired in a remote village in one of the Balkan countries, and since the World War those nations have been pushed and pulled by the major powers of Europe. Today their neutrality is at best precarious and from one day to the next they may be drawn into the present war. It is impossible, therefore, to obtain a clear picture of present-day Europe without understanding the fundamental role which the Balkan countries play in the affairs of the continent.

Professor Joseph S. Roucek of New York University has written one of the best analyses of the Balkan countries which we have seen: "The Politics of the Balkans" (New York: McGraw-Hill, \$1.50). Although it is not a large book, it is filled with essential information about the Balkans individually and as a group. It emphasizes the internal problems of each of the countries, describes the political, social, and economic conditions, and shows their relation to the general European issues.

The five countries which are discussed in this volume are Rumania, Yugoslavia, Albania, Bulgaria, and Greece. These countries are not set off from the rest of Europe by natural barriers as are the other two peninsulas of Europe—the Italian and the Iberian. The Balkan peninsula is closely connected, through the Danube, with the rest of the European continent, and through the Black Sea with the Asiatic mainland. Thus the historic push of the Turk into Europe and the struggle to keep the Turk out of Europe, which shook the entire continent for centuries, were concentrated in the Balkans.

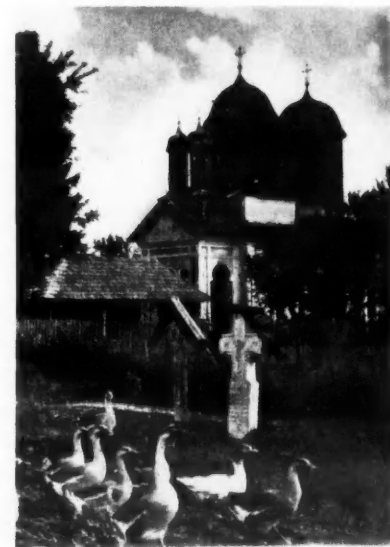
It is doubtful whether in any section of the world there is a greater mixture of races, religions, cultures, than in the Balkans. As Professor Roucek tells us: "Wave after wave of invaders has overrun the region, imposing alien cultures upon the resentful victims and adding new deposits to a perplexing formation. For centuries the Balkan peoples have lived here, retaining in the shade of their mountains an indigenous particularism. There are scores of tongues, dialects, and religions. European has crossed here with Asiatic at

a dozen ethnic juncture points, Nordic with Mediterranean, and Slav interpenetrating both in innumerable combinations. . . . The census figures of each Balkan country may appear simple. But they would look like Chinese puzzles should they ever reveal fully the conglomeration of Armenians, Bulgars, Croats, Dalmatians, Germans, Greeks, Gypsies, Jews, Magyars, Montenegrins, Pomaks, Rumanians, Russians, Serbs, Slovenes, Turks, and others."

It is this conglomeration of races that makes a settlement of the Balkan problem difficult. The national boundaries of the Balkans have been drawn and redrawn. Each time, large minorities are found in every country. As the author of this book reminds us: "No matter what territorial redistributions might take place, some minorities would be left behind in the reshuffling."

Compared with most of the other countries of Europe, the Balkans are economically and socially backward. They are predominantly agricultural, and yet the peasants are unusually poor. Professor Roucek gives us this picture of the Balkan peasants:

"A few years with insufficient rainfall drive the Balkan farmer into desperate straits. Even abundant harvests bring him small reward for his toil. The centuries of foreign exploitation are past, but national freedom has left him shackled. A declining agricultural price level, continually shrinking foreign markets for his goods, and the cessation of foreign loans have



RUMANIAN COUNTRYSIDE

made a mockery of his efforts. The peasant masses know little of public health; epidemics and neglect take a frightful toll. High illiteracy rates are characteristic of all Balkan lands, except perhaps Bulgaria. Government efforts to ameliorate the situation have not substantially changed the picture."

The Balkan peasants seem to accept their lot placidly. As yet, they have been unable to exert effective political control over the government, despite the fact that they constitute the largest group in each country. The peasant's interests "have not been represented by strong political parties," we are told. "The explanation lies in the fact that the peasant is still timid, ignorant, and backward. The ruling cliques represent the urban areas—the advancing industrial interests seeking government favors, the clergy and professional groups, and the army of politicians. The masses of the people count politically for little in the life of the country. The world of which the modern Balkans are a part is outside their scope. They have almost no share in it, except by grudgingly surrendering their taxes and serving in the armies. They live by what centuries of experience have taught them to be the way of man under the sun. Humility, obedience, deference—these are their lot, and man's lot has been fixed as the course of the sun and stars is fixed. Release lies in periodic lawlessness."

The American Observer

A Weekly Review of Social Thought and Action

Published weekly throughout the year (except two issues in December and three issues from the middle of August to the first week in September) by the CIVIC EDUCATION SERVICE, 744 Jackson Place, Washington, D. C.

Subscription price, single copy, \$2 a calendar year. In clubs of five or more for class use, \$1 a school year or 50 cents a semester. For a term shorter than a semester the price is 3 cents a week.

Entered as second-class matter Sept. 15, 1931, at the Post Office at Washington, D. C., under the Act of March 3, 1879.

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Ireland in the Midst of War-Torn Europe

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huge stone chimneys. But it will not be long before the farmers are in their fields for spring planting, and the little red donkey carts are once more seen moving along country lanes—past ancient castles and still, clear lakes—as they have for centuries, unhurried and unperturbed. Behind the rocky bulwarks of the formidable coasts, the rolling, emerald-green hills of Eire seem far removed indeed from the struggle in Europe and on the nearby seas.

But the dimming of lights at night is proof—on the east coast, anyway—that the threat is near, and that the people of Eire are aware of danger. They may have kept out of the European war until now, and they may do so until the end, but they are too near England to escape entirely if matters become really serious. If they can possibly avoid it, however, the Irish people will not join hands with Great Britain against Germany.

Long-Standing Bitterness

Irish reluctance to aid Britain now is the result of long-standing bitterness between the Irish and British people. Some six centuries ago, England gained control over Ireland. English landlords took over much of the land, carving out great estates for themselves, and the English came to treat Ireland merely as a convenient source of food—a sort of huge British farm to be exploited for all it was worth.

The Irish, being a hot-tempered and independently-minded people, came to hate British rule just as they would have hated the rule of any foreigners, and from time to time they revolted. But their revolts were always crushed, in the end. During the last century the Irish seemed for a while to have lost heart. Famine and economic privation were driving thousands of the more vigorous to America in search of a better life. Many of the intellectuals and well-to-do were gravitating toward England and the English point of view. With its population falling year by year, Ireland seemed to be slowly disintegrating.

Toward the end of the last century, however, a new feeling of national pride took hold of the Irish people. Curiously enough, it was not political—at first. It was a literary movement, and it has become known as the Irish Literary Revival, or, by some, as the Celtic Renaissance. The word Celtic in this connection is apt to be misleading. Celtic, the very ancient language of Ireland (as opposed to Gaelic, the modern Irish tongue), was not directly employed. But Irish writers using the English language began to draw on old Celtic legends and folklore for their inspiration. An astonishing number of gifted writers seemed to spring up all at once. Among them were Lady Gregory, who collected Irish legends and helped manage the famous Abbey Theater; William Butler Yeats, the famous poet and dramatist who died last year; the poet "AE"; John Middleton Synge, author of "Riders to the Sea" and other plays; Lord Dunsany; Padraic Colum; and literally dozens of others, including Dr. Douglas Hyde, who is now president of Eire.

"Ireland's Opportunities"

The Irish men and women of the Celtic Renaissance wrote in a distinctive vein, and they wrote well. The old legends took hold quickly. Theaters sprang up everywhere and foundations for the modern Irish drama were laid. Intellectuals who, from a fancied feeling of inferiority, had been turning to France and England for culture, and Irish commoners who had been indifferent to their own culture, found they had a common meeting ground. The Irish people began to regain pride in their country, their language, and in themselves. And this feeling was not long in turning into a strong political movement.

There is an old saying in Ireland that "England's difficulties are Ireland's opportunities," and the Irish have been clever enough to push their own demands when England has been in trouble elsewhere. In 1916, while England was locked in a furious struggle with Germany, the Irish revolted.

The "Easter Rebellion," as it was called, was crushed, but the determination of the Irish shocked the British. The revolt was not entirely a failure because it prepared the ground for a more determined effort after the war, with the result that the British took steps to settle the "Irish question" once and for all.

In December 1921, the British agreed to the establishment of an Irish Free State which should assume a rank equal with

the financial claims which the British presented for land which had formerly belonged to British landlords and which had been divided among Irish farmers. These claims, said the Irish, were far too high.

Nevertheless, by 1923 the outbreaks died away and a government dominated by moderate leaders became well established. This government, friendly toward Britain, prevailed until 1932, when further difficulties brought Eamon de Valera, a former

clean. Her present neutrality is proof of this.

The one remaining difference between Eire and England is the existing partition of Ireland. The government and most of the people of Eire want a united Ireland. They insist that the six counties of Northern Ireland be united with Eire, and they assert that unification could be easily achieved were it not for British obstinacy. The British hold that the six counties have no wish to be united with Eire, and must not be forced to do so. There the dispute rests, with no solution in sight.

Premier de Valera has opposed the use of violence as a means of settling the dispute over Northern Ireland. He hopes to persuade the North Irishlanders that their political, religious, and economic rights will not be submerged in the event of union with Eire. He hopes to persuade the English and the North Irishlanders that a united Ireland will be to the best interests of all.

The I.R.A.

However, there is a small but militant group in Eire which does not place much faith in negotiation. The most extreme faction of this group is the Irish Republican Army (I.R.A.), the activities of which have been discussed in previous issues of THE AMERICAN OBSERVER. Although it probably does not consist of more than 15,000 men and women, at the outside, and although it has been outlawed since 1937, the I.R.A. has created a great deal of disturbance in England and Northern Ireland by planting bombs in vital spots. The gravest danger facing Premier de Valera is that an armed I.R.A. will move to annex Ulster (the six counties) by force. Such a move would bring British troops to Northern Ireland with the result that an armed clash would be almost sure to follow. Such a clash might rally all the Irish people behind the I.R.A., thus frustrating de Valera's "watch-and-wait" policy of conciliation—possibly giving rise to another costly struggle.

Premier de Valera is doing all he can to prevent the possibility of such a clash. He knows that it is possible that Eire may become embroiled with England again. He also knows that because of her nearness to Britain, Eire runs the constant risk of being drawn into the war on England's side. There is yet another possibility. If England should become hard-pressed, she might agree to a unification of Ireland in return for Irish support in the war. All in all, it is a situation which calls for the greatest possible intelligence and tact on the part of the de Valera government. If the premier's hopes can be realized, and if Eire can manage to steer the hazardous course between war, neutrality, and independence, there is a chance that the Irish people may escape the fate which threatens the rest of Europe, and emerge peaceful, prosperous, and united.

Questions and References

1. What is meant by Eire? Gaelic? Ulster?
2. Who is, or was, Douglas Hyde? Eamon de Valera? What positions do (or did) they hold?
3. What was the "Celtic Renaissance"? Why was it so called?
4. Lord Dunsany, W. B. Yeats, and J. M. Synge were dramatists. True or false?
5. What was the Irish Free State? The Easter Rebellion?
6. Why is Eire neutral today?

REFERENCES: (a) Eire's Case Against England, by O. G. Villard. *The Nation*, February 17, 1940, p. 254. (b) Decay of Rural Ireland, by A. Curtayne. *Commonweal*, September 29, 1939, pp. 510-511. (c) Ireland in a Warring Europe, by M. Walsh. *Saturday Evening Post*, January 13, 1940, p. 27. (d) Why Bombs Are Being Thrown, by P. O'Donnell. *The New Republic*, May 10, 1939, p. 14.

PRONUNCIATIONS: Eire (air'ah), Tanganyika (tang-an-yee'kah), Eamon de Valera (ay'mon day' vah-lay'rah), O'Mahoney (oe-may'oe-nee), Celtic (sel'tic or kel'tic), Gaelic (gale'ik), Addis Ababa (ah'dis ah'wah-wah).



THE TWO-WHEELED DONKEY CART IS A FAMILIAR SIGHT IN IRELAND

the other British dominions, enjoying full rights of self-government. There were several aspects of the agreement, however, which many Irish did not like, and which have since been the cause of more trouble.

Division of Country

One of the objectionable features of the British plan, from an Irish point of view, was that it did not include all of Ireland. Six counties in the north were not included in the Irish Free State, but were retained as a part of the United Kingdom. It so happens that most of the people in these counties are Protestant, while the majority of the people in southern Ireland are Catholic. The northern Protestants did not wish to be ruled by a government which would naturally be dominated by the more numerous Catholics of the south. Moreover, many of these northerners are of Scotch and British descent, and wished to

revolutionary, to the head of the government.

One of de Valera's first acts was to stop the land payments. The British struck back by raising tariffs against Irish goods as a means of collecting money to make the land payments. The bitter trade war which followed hurt the Irish, for in normal times England buys four-fifths of Ireland's exports, and supplies about a half of what the Irish buy from abroad.

New Constitution

In 1937 de Valera drew up a new constitution, abolishing the name "Irish Free State" in favor of "Eire," the Gaelic word for "Ireland." This document was cautiously drawn. It did not mention the British King, neither recognizing nor repudiating him, and it virtually cut Eire adrift from England.

The British did not like Eire's new con-



TIPPERARY—TYPICAL IRISH TOWN MADE FAMOUS BY A SONG

retain their British citizenship. The English, in addition, wanted to hold the northeastern part of Ireland because it lay so close to Great Britain's important industrial and shipbuilding centers around Glasgow and the Firth of Clyde.

This did not suit many people in southern Ireland, and the outbreaks continued for another two years. The southerners disliked the idea of paying allegiance to the British King, however free they might be to govern themselves. Nor did they like

stitution, but they did not oppose it, even though it left some doubt as to whether Eire was still a member of the British Commonwealth. Acknowledging in part the justice of Irish wishes, the British government finally accepted the situation, and in 1938 the trade war was called off. A new agreement settled the land-payments question and brought better feeling between the British and Irish than had existed for centuries. Eire, however, was not yet ready to wipe the slate with England



VISIT FROM A PRINCE

Archduke Otto, great-nephew of Emperor Franz-Joseph of Austria-Hungary, and pretender to the Hapsburg throne, is visiting the United States for the purpose of studying the workings of democracy in this country and the possibility of its application in a postwar federated Europe. Left to right: Prince Felix, Otto's brother; Senator Alben Barkley, Archduke Otto, and Senator Key Pittman, chairman of the Senate Foreign Relations Committee.

DOMESTIC

Hatch Act

Congress has been having its most bitterly contested fight this session over the law which is known as the Hatch Act. Last summer, it will be recalled, Congress passed the act to prohibit federal employees from taking part in any political activities (campaigning, electioneering) other than voting. The law also protects the employees from being forced to support any party or candidate, or to make political donations.

There was nothing unusual about these rules—they were already applied to about 500,000 employees in civil service positions. The law simply extended the same rules to cover about 300,000 politically appointed employees. High officials, such as the president, his cabinet members, and other policy-making executives, were exempted from the ruling.

Now Senator Hatch is pushing a bill which would apply the same political ban to state employees who receive all or part of their pay from federal funds. State highway workers, for example, help to build roads which are partly financed with federal assistance. Employees in state relief offices are supervised



IT DOESN'T TAKE MUCH TO START A RUMOR NOW—ADAYS
RAY IN KANSAS CITY STAR

by the state, but most of their pay comes from the national treasury. These are among the people who would be affected.

Enemies of the original act are striking at its provisions with amendments, as well as working to block the passage of the present proposals. They say that such a law deprives government employees of their rights as citizens to participate in election contests and party campaigns. Supporters of the measure contend that the law prevents politicians from building up a political machine of government workers. They add that government employees are entirely free to make up their

own minds and to vote as they please. Mindful that this is an election year, members of Congress are sharply divided on the issue.

Medicine in Court

Several years ago, a number of government employees in the nation's capital formed an organization called Group Health, Inc. For the payment of monthly dues, they were entitled to receive certain types of medical care from the doctors who were employed on a full-time basis by Group Health, a nonprofit organization.

But the medical profession in general did not like the organization. They believe that each individual should have his own doctor, and that cooperative medical care which is financed by dues-paying may lead to a socialized health program. The Medical Society of the District of Columbia felt that the doctors associated with Group Health were unethical, and refused to have any professional contacts with them. Steps were taken to prevent Group Health from using hospitals in the District. The views of the Washington doctors received the backing of the American Medical Association. Another medical society, in a Texas county, expelled a doctor from membership because he had been connected with Group Health.

The dispute between the medical profession and the Group Health supporters was finally taken to court. The AMA, the District of Columbia doctors, and the Texas medical society were charged, under the Sherman Antitrust Act, with restraining the practice of medicine. The organized doctors won the first battle, when a lower court decided that medicine is a "learned profession," not a trade, and that doctors could not be tried under the law.

But the Court of Appeals reversed this decision. Medicine, the judges said, is just as much a trade as any other occupation or business. If the Supreme Court (which will probably get the case next) upholds the Court of Appeals, the doctors will be charged with violating the antitrust laws. Then a trial must be held to determine whether the verdict is "guilty" or "not guilty."

Wildlife Week

America was rich in wildlife resources when the first settlers arrived here. Even after the pioneers began to push westward, great herds of buffalo still roamed the plains. Lakes and rivers were alive with fish. When birds migrated south in the fall or north in the spring, the flocks darkened the skies. Forests and mountains were thickly populated with animals and birds of all descriptions.

But hunters and trappers took a heavy toll of the wildlife. Passenger pigeons, for example, were once numerous. With a scientific method of estimating the number of birds in a flock, the great American naturalist, John James Audubon, once counted over a billion pigeons pass overhead in a continuous flock. Another expert calculated that a flock which he saw was 240 miles long, and included over two billion pigeons.

So it was impossible to convince the people

The Week at Home

What the People of the World Are

that it was necessary to protect the birds—hunters continued their ruthless slaughter, pointing to the millions of birds which flew on. This attitude continued until it was too late to save the pigeons from extinction—the last wild one was seen in 1907; the last tame bird, owned by the Cincinnati Zoo, died in 1914. Other game—buffalo, deer, elk, ducks, wild geese, pheasants—were protected just in time, although their numbers were dwindling rapidly.

To save the remaining birds and animals, the National Wildlife Restoration Week, from March 17 to 23, is calling the country's attention to the importance of game laws. Special wildlife stamps, picturing birds, animals, flowers, and trees, will be sold to raise money for the organized campaign of conserving the nation's outdoor resources.

Safe Harbor

Three famous European passenger vessels—the *Queen Mary*, the *Normandie*, and the *Queen Elizabeth*—are now tied to the docks in New York harbor. Side by side, they lie motionless, with only a few crew members aboard each to serve as watchmen.

When war broke out in September, the French government quickly decided that it was safest to leave the 83,000-ton *Normandie* in New York. A return voyage to France, through submarine-infested waters, would be perilous, and the vessel would be a target for enemy bombers flying above French ports. For the same reasons, the British tied up the 81,000-ton *Queen Mary* alongside the *Normandie*.

But the biggest luxury liner of all—the 85,000-ton *Queen Elizabeth*—lay unfinished in the shipyards of Clydebank, on the Clyde River in Scotland. For weeks, the British worked feverishly to make her seaworthy for an ocean crossing, and recently they gave the captain secret sailing orders to depart for New York. After the difficult engineering feat of maneuvering the giant boat down the comparatively narrow river with the aid of eight tugs, the crew brought their ship—windows darkened and sides painted a dirty gray—to New York in four and one-half days.

The liner, which will cost over 28 million dollars when it is finished, will lie in New York until the war is over. The *Queen Elizabeth* is 1,030 feet long, with 14 decks to accommodate 2,400 passengers. Two thousand passengers can travel on the 12 decks of the *Queen Mary*, which is 1,020 feet long.

NLRB Again

Although its hearings are not finished, the special House committee which has been investigating the National Labor Relations Board has submitted its preliminary recommendations. By a vote of three to two, the committee members proposed 21 changes in the act which created the NLRB.

They suggest a three-member NLRB, which would act only as a judge of the cases brought before it; a special administrator would handle prosecutions and complaints. As it is, the present three-member NLRB receives complaints from the unions, prosecutes the companies which try to restrain collective bargaining, and judges whether elections should be held among the workers to select a union.

The present board can do as it likes about recognizing an employer's request for an election among his workers. But the committee proposes that the board should be required to heed the demand. The report also advises preventing the board from taking steps to institute collective bargaining unless it is sought by either the employers or the workers. They want to permit the employer to publish his views on any subject, including labor relations, so long as he does not attempt to intimidate or coerce the workers. And they would limit the restoration of back pay for striking workers to a period of six months, as well as prevent the rehiring of workers who were guilty of destroying property or committing violence.

These proposals, of course, vary widely

from the present law. Obviously, they will be the subjects of sharply divided debates. The defenders of the NLRB say that the present board has been doing a good job, and that the law should not be changed, while the opponents of the board contend that it has taken many biased, discriminatory actions, and that these amendments, if passed, would correct some of the more serious shortcomings of the NLRB.

Census Controversy

Only a few days remain for Congress to decide what to do about the controversy over some of the census questions. Next month, thousands of enumerators begin their rounds, knocking at doors and asking each person for detailed information about himself.

A lively dispute arose when it was learned that inquiries are to be made about one's salary or wages and about a person's house—whether it is mortgaged, and so on. Led by Senator Tobey of New Hampshire, several members of Congress have charged that these questions pry too much into an individual's personal affairs. Such matters as income, they insist, are one's personal business, and it is



THE ANTARCTIC EXPEDITION
Having arrived in Little America, the Byrd expedition is resting. Some flights have already been made.

objectionable to have a census taker, who may be a neighbor, inquiring about them.

Census officials replied that the information which they obtain is closely guarded, and that a census taker will be punished by law if he "gossips" about the answers of any person. They assert that the debated questions are necessary to obtain vital facts about the nation's housing conditions and about wages and salaries in general. Whatever the outcome of the dispute, the arguments on both sides have evoked statements from a number of important officials, including the President.



THE
Turkish forces are encamped at the foothills of the Caucasus. It is in this region that some observers have foreseen the possibility of a new war.

Time and Abroad

What's Doing, Saying, and Thinking

FOREIGN

Week in Europe

(1) Finland

With its small army approaching a state of exhaustion, and with its defense line cracking, the government of Finland apparently recognized that a crisis was approaching, last week, and that one of two steps would have to be taken if Finland was to be saved, in whole or in part. The first step was to find out on what terms Russia would agree to a peace. In response to an invitation from the Soviet government, transmitted through Sweden, a Finnish delegation was sent to Moscow to discuss peace terms. As we go to press, these discussions have been in progress for five days, without apparent results. It has been reported that Russia is demanding Finland's Arctic coast, all of Karelia (including most of the Mannerheim Line), all of Lake Ladoga, and a number of islands and naval bases to be located on the Finnish mainland.

war in Finland to stop, because cessation of hostilities would leave the Russians free to divert their attentions elsewhere, to send more supplies to Germany (some through the Baltic), and perhaps to dominate Scandinavia. At the same time, it would deprive the Allies of the chance to intervene in Scandinavia, to shut off Sweden's exports of iron ore and steel to Germany, and to establish bases for an attack on Germany's undefended northern cities. Therefore, Prime Minister Chamberlain has stated that England and France will respond, if Finland sends out a call for assistance.

But the Finns have not made such a call as yet. First, they will have to await the outcome of peace negotiations. Second, to accept open aid from the Allies might bring Germany into the war on the side of Russia. Third, there is Sweden to be considered. The only way the Allies could send a large expeditionary force to Finland would be through Sweden. But if the British march across Sweden, Germany will probably attack the Swedes at once, with the result that Scandinavia, instead of France, would become perhaps the main battleground of the European war. Yet, the Swedes realize that the growing power of Russia constitutes a menace to Scandinavia. So they have informed the Allies that if they want to send troops to Finland across Sweden, they must send enough to beat off a German attack, or none at all. There the matter rests.

(2) Discussions in Rome

In the meantime, it seems once again that important moves to end the war in western Europe may be afoot. When the German foreign minister, Joachim von Ribbentrop, recently made a surprise visit to Rome, it was thought at first that he had gone down to take advantage of the dispute between Italy and Great Britain over the latter's seizure of Italian ships carrying coal from Germany to Italy. While Mussolini was still angry with the British, the reasoning went, von Ribbentrop might win him over. But the coal dispute was settled before von Ribbentrop arrived, and the fact that he called not only upon Mussolini, but upon King Victor Emmanuel and Pope Pius XII changed the situation. It is now assumed that he has communicated Germany's peace terms to Italy and the Vatican, and has agreed to be less harsh with German and Polish Catholics. If this is true, these terms will undoubtedly be given to President Roosevelt's special emissary, Sumner Welles, when he visits Rome for the second time, shortly before returning to Washington.

The Lapps

One effect of the fighting in northern Finland has been to direct world interest toward a people of whom probably less is known than of any other race in Europe. They are the Lapps, a small, self-indulgent, good-natured people who inhabit that great stretch of plains near the Arctic Circle known as Lapland. Extending from the coast of Norway, east across Sweden, Finland, and Russia to the White Sea, Lapland has no definite political borders, nor are the wanderings of the Lapps restrained by the four countries whose territories they inhabit. They have been free to roam through Lapland from one country to another without passports or other restrictions. In Scandinavia they have been exempted from all taxes and from military service.

Contrary to popular impression, not all Lapps are nomads. Those who keep constantly on the move in search of new grazing lands for their reindeer herds are, it is true, the most prosperous. But they number only about 10,000. The other two-thirds live a more settled existence. Some keep domesticated reindeer and hunt for a living. Some live in isolated coastal villages and live mainly by fishing. Whether the Soviet invasion of the Finnish far north will bring about any change in the political status of the Lapps is not yet clear. But it is not likely that whatever peace terms may eventually be reached



BUILDING AN EMPIRE

A great deal has happened since those days in 1935 when Mussolini sent his legions over the Mediterranean to conquer Ethiopia. We hear little of this African country now, but the Italians are working steadily to develop it, hoping it will become a fruitful colony. Addis Ababa, the capital (above), is undergoing reconstruction and modernization.

will greatly disturb the normal lives of these strange people who love the northern wastes and snowy mountains, and who ask for nothing else.

Ethiopia Under Italy

In the midst of the recent dispute between Italy and Great Britain over the former's imports of German coal (see above), the British government let it be known that British forces are being assembled along the northern border of Kenya, in East Africa. This news has been greeted with concern in Italy, for Kenya borders on Ethiopia, which was incorporated into the Italian Empire in 1936, after a brief but hard-fought struggle.

The Italians are uneasy about these developments. They would not relish a struggle over a colony which cost them a great deal to conquer, which they have only begun to develop, and which is bound to engage their energies for many years to come. Mussolini has found that the process of colonization is no easy matter. In the first flush of enthusiasm, when the Italians marched into Addis Ababa, the capital, and raised their green, red, and white flag over the city, Rome confidently predicted that within a few years several million Italians would settle in the newly conquered empire. More sober-minded, today, the Fascists have embarked upon a more modest program that aims at resettling only about 75,000 Italians. But even this project is facing numerous difficulties. To judge by disinterested reports, the native Ethiopians have not yet been wholly pacified, and this would seem to be borne out by the fact that the colony is still under the stringent military rule of an army of 200,000 men.

Official Italian reports, however, claim that substantial progress has already been made in the development of Ethiopia, and that 9,000 new enterprises have already been established, involving a total investment of \$200,000,000. About 2,500 miles of concrete roads are said to have been laid down. Among the major projects now under way, with the aid of capital obtained from small investors, are a hydroelectric plant, expansion of coffee plantations, and a program of reforestation.

Latin American Trade

During the early years of the World War many countries in Latin America, unable to continue their usual purchases in Europe, began to place large orders in the United States. American firms, which were by then also receiving huge orders from Europe, were glad for the extra business, but in many cases it proved to be too much for them. Sometimes the goods finally delivered amounted to as little as one-tenth of those ordered. A great deal of merchandise arrived months late. Some never arrived at all. Then, toward the end of the war—when European orders began to fall off, American firms suddenly began to fill all orders from Latin America—old ones and new ones as well. Goods piled up on wharves, sank into the mud, or were ruined by tropical rains along South American river fronts. A very large number of court suits resulted. North Americans and South Americans brought so many suits against one another

other that it seemed as though everyone were involved in a tangle of litigation. The hard feelings which resulted from these court fights did not improve Latin American relations.

Seven years ago businessmen of North and South America took steps to prevent a repetition of that unhappy state of affairs. They founded what is known as the Inter-American Commercial Arbitration Commission for the purpose of settling trade disputes by a board of impartial arbitrators, thus eliminating court costs, and the waste of time involved in court proceedings. This commission, which is now sponsored by the Pan American Union, will review the facts of any trade controversy, no matter how small, in any city of North or South America. It acts within 10 days of receiving notice of each dispute, and charges a very small amount for its services. Since the commission's final decision is usually reached within a month, its services have proved very valuable. If the European war continues, chances are that the commission will turn out to be a very important factor in the betterment of inter-American trade relations.

Saadabad

During the last few weeks we have received a number of inquiries concerning Saadabad, where statesmen from Afghanistan, Iran, Iraq, and Turkey gathered in 1937 to sign the non-



MODERN DAMOCLES

JENSEN IN CHICAGO DAILY NEWS

aggression treaty mentioned in THE AMERICAN OBSERVER of February 26.

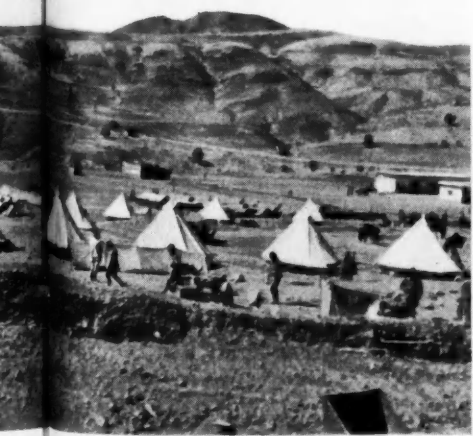
Saadabad is the name of the immense estate, or district, containing the summer palace of the ruler of Iran (Persia), Reza Shah Pahlavi. Lying on the southern slopes of the snow-capped Elburz Mountains, it commands a striking view of Tehran, the capital of Iran, and of the vast, arid Iranian plateau to the south. Its gardens, the rivulets formed by snow melting in the high mountains, and its striking vistas, all help to account for its reputation as one of the most beautiful palaces in the Middle East.



EXPLORATION SETTLES DOWN

is establishing a base from which numerous exploration trips will be made. A number of aerial photos taken.

If the Russian demands prove to be too severe for the Finns to accept, Finland may exercise the right granted her by the League of Nations last December. She may call upon League members for support. In Finland's case, this means England and France. While neither power is obliged to join Finland as the result of such a call, there is reason to believe that the Allies might be glad of the chance. As soon as it seemed possible that the Finnish war might suddenly cease, British statesmen began to show unmistakable signs of nervousness. They are not anxious for the



WIDE WORLD

THEY are Caucasus mountains, which form the boundary between Turkey and Russia. The possibility of fighting if the present war spreads to the Balkans and



FOR INVESTMENT
The Metropolitan Life Insurance Company's \$50,000,000 low-cost housing project in New York City.

Monopoly Committee Investigates The Nation's Insurance Companies

(Concluded from page 1, column 1)

the event of emergencies, they would not need the protection which insurance gives them.

But few people are fortunate enough to be able to meet the various hazards of life. They may lose their jobs. Unexpected illness may eat into their savings. Accidents may exact a heavy financial toll. Their homes or places of business may be destroyed by fire. And finally, they must face the most certain of all life's calamities—death.

Purpose of Insurance

It is in order to protect themselves against these hazards that people purchase insurance. Until recently, nearly all forms of insurance were left entirely up to the individual. He could take out a life insurance policy or a fire insurance policy or an accident policy. Each determined for himself the type and the amount of insurance he needed and could afford. There were always private insurance companies ready to offer him the protection he sought.

During the last few years, the extent of insurance has been greatly increased as a result of the government's program of social security. In order to protect people against two of life's greatest tragedies—unemployment and old age—the federal government and the state governments have adopted systems of unemployment and old-age insurance to cushion the blow of these tragic disasters. We shall discuss the question of public insurance more fully later in this article. For the moment, it is sufficient to point out that there is scarcely a person in the nation who is not directly affected by some type of insurance, either public or private.

The principle upon which any system of insurance—public or private—operates is relatively simple. It is the principle of spreading the risk. A number of people act together to protect themselves against any particular hazard. They agree to pay a certain sum of money every year for protection in the event of death, accident, fire, or other tragedy. The money which they pay is called the insurance "premium," and it entitles them to protection whenever disaster befalls them.

A person who is insured may pay his premiums for only a short time before reaping benefits from the protection. His house may burn down a month after he has taken out insurance or he may have a serious accident the week after his accident policy goes into effect. Another person may die shortly after taking out a life insurance policy; in which case he will have paid little for the benefits his family will receive.

On these individual cases the insurance companies would lose money. But they cannot be considered individually, for in the larger number of cases the insurance companies will not be obliged to meet obliga-

tions so quickly. Many people carry fire insurance who never have a fire—many hold accident policies who never have an accident. Many people pay premiums for years on their life insurance before they die. But the insurance companies can figure fairly accurately how much they will be obliged to pay out and thus they can fix their insurance rates accordingly. They spread the risks over a large number of individuals.

It is extremely difficult to comprehend the size of the insurance business in the United States. The American people pay to the private insurance companies nearly six billion dollars a year in premiums—a sum about equal to the amount of money paid to the federal government in all types of taxes. There are some 65,000,000 life insurance policies in the country—one for every two persons.

The value of all insurance in effect in the United States is even more staggering. Life insurance policies alone have a value of nearly 114 billion dollars—nearly twice as much as the entire national income last year. Fire insurance protects property worth 200 billion dollars, and the value of other insurance—such as accident—is worth an estimated 150 billion dollars. Since 1890 the amount of life insurance in effect has jumped 25 times as fast as the population.

Naturally, the insurance companies could not meet all these obligations if they fell due all at once. They are obliged to pay out only a small proportion of the total insurance every year. For this purpose, they keep sufficient money available. The rest of the six billion dollars a year which they receive in premiums is invested in various assets. All the insurance companies together hold some \$33,000,000,000 in assets—a sum which is equal to more than twice the money held as deposits in all the savings banks of the nation.

Widespread Investments

In what do the insurance companies invest the money paid to them as premiums by policyholders? This is an important point, for it shows the extent to which the insurance business exerts influence over the general economic life of the nation. For one thing, insurance companies are large holders of government bonds. The 49 largest life insurance companies hold federal government bonds equal to 11 per cent of the total national debt. They hold 10 per cent of all municipal bonds, 23 per cent of all railroad bonds, 22 per cent of all public utility bonds, 15 per cent of the obligations of industry, 14.5 per cent of all mortgages in cities, and 11 per cent of all farm mortgages.

Occasionally, an insurance company will go directly into business. The Metropolitan Life Insurance Company, the largest of them all and second largest corporation in the world, with assets of nearly five billion

(Concluded on page 8)

Personalities in the News

AS chairman of the Temporary National Economic Committee, Senator Joseph C. O'Mahoney is presiding, day after day, over one of the most far-reaching studies of our economic system ever attempted by the government. To the hearings come businessmen, government economists, manufacturers, insurance executives, lawyers, brokers, professors, and scores of other witnesses, examiners, and experts.

The large committee room, fitted with loudspeakers for the testimony, has a heavy mahogany table, behind which sit Chairman O'Mahoney and his associates on the committee—other senators, representatives, and government officials. Although the cross fire of questions and answers has sometimes been intense, Senator O'Mahoney keeps the inquiry on an objective basis. He has sometimes stepped in to defend a businessman who, he felt, was questioned too sharply. He is forever reassuring the witnesses that the "monopoly committee"—as the TNEC is often called—is not conducting a witch hunt; is not interested in condemning or punishing business.

For his calm, effective leadership of the hearings, the senator is praised by both the business leaders and the government economists. They credit Mr. O'Mahoney with having set the high tone of the proceedings before the hearings began in December 1938, and with having done the most to maintain that level ever since.

Senator O'Mahoney's rise to national prominence has been accomplished in a single term of office. For a few months in 1933, he was first assistant postmaster general. When Senator Kendrick of Wyoming died in December of that year, the state governor appointed Mr. O'Mahoney to the vacancy. At the next election, he was named by the voters to complete his predecessor's unexpired term and to occupy a full term of his own.

Born 55 years ago in Massachusetts, O'Mahoney studied for a while in Columbia University, then moved westward to Colorado. There he held a newspaper job, and was married. A few years later, he became the editor of the Cheyenne, Wyoming, *State Leader*, a paper owned by the then Governor Kendrick. When Mr. Kendrick went to Washington as a senator, he took young O'Mahoney along to be his secretary. Answering the senator's correspondence and taking care of other office duties did not keep O'Mahoney fully occupied, so during his spare time he studied law at Georgetown University. When he finally returned to Wyoming a few years later, he began a career in Democratic politics which brought him to Washington.

Senator O'Mahoney has supported most of the New Deal's measures in Congress. But his vigorous fight against the President's plan to enlarge the Supreme Court won him the administration's disfavor for a time. This was forgotten, however, when the plans for the TNEC were being formed. Energetic and hard working, he has been a keen student of the nation's economic system for a number of years.



SENATOR JOSEPH O'MAHONEY

WHETHER Eire will continue to remain neutral, whether it will join hands with England, or whether it will rise against the English, depends, to a large extent, upon the statesmanship of its premier, Eamon de Valera, who has been head of the Irish government since 1932. In outward appearance Premier de Valera betrays little of the fiery rebel he once was, or of the astute politician he is today. His lean, angular figure, his black suits, his large, bony hands, and the gaunt face behind his thick-rimmed glasses—all bespeak the old conception of a scholar or schoolmaster.

Eamon de Valera was born of a Spanish father and an Irish mother in New York City, in 1882. Because his father died soon after, Eamon was sent to Ireland to be brought up by relatives. Although an awkward, gangling youth whose clothes never quite fitted him properly, he distinguished himself in college as a brilliant mathematician with a special flair for Gaelic, the modern Irish language.

His love for the national literature of Ireland soon brought de Valera into the nationalist political movement, which aimed at independence. When the Irish republicans arose against England in the "Easter Rebellion" of 1916, de Valera was among their leaders. When the same leaders were condemned to death for sedition by the British, he was still with them, but his sentence was commuted, and later revoked altogether, probably because of his American birth. Arrested again, he escaped from prison and fled to America where he managed to raise \$6,000,000 for the Irish cause.

After England consented to the establishment of an Irish Free State, and a



EAMON DE VALERA

temporary truce was arranged, de Valera returned to Ireland, assumed a seat in the Dail (parliament) and opposed the treaty with England because it failed to establish Irish independence. His efforts finally began to bear fruit after 1932, when he was elected president, and represented Ireland in the League of Nations. Within five years he had abolished the oath of allegiance to the British crown, obtained a settlement of the claims of British landowners, obtained reductions in British tariffs against Irish goods, and established a new constitution under which Ireland became Eire, and President de Valera became Premier de Valera, with his powers unchanged.

"Dev," as he is called, is not trusted by many Englishmen because of his campaigns to restrict British control over the Irish people. He is regarded with distrust by many Irishmen because he has tried to suppress the terrorist activities of the illegal Irish Republican Army. As a result, he is politically a lonely man. Earnest, sincere, and hard working, he likes to talk about Irish legends, history, and about the future of Eire, whenever he gets a chance. He lives very simply with his wife and children, spends a great deal of time reading, and for mental relaxation enjoys taking long walks.



PHILADELPHIA STUDENTS STAGE A MOCK REPUBLICAN CONVENTION

High School Students Hold Mock G.O.P. Convention at Philadelphia

FOR the last seven years, the Civic Forum League at Temple University in Philadelphia has staged a notable series of annual student discussion conferences. The league was launched by a group of prominent educators who surveyed the nation's ills and problems in 1933, and concluded that democracy's foundations could be strengthened by giving high school students an opportunity to discuss local, national, and international affairs.

The latest of the conferences was held recently when 600 high school students staged a model Republican national convention in Philadelphia. From their two-day session, they gained valuable first-hand experience with the machinery of organizing a convention, nominating presidential and vice-presidential candidates, and drawing up a party platform.

The convention brought together representatives from 70 high schools of Pennsylvania, New Jersey, and Delaware. Each of the schools furnished either officers for the convention or "political delegations" from one of the 48 states. South Philadelphia Boys' High School, for example, furnished Ohio delegates, who favored Robert Taft for president. As California delegates, the Germantown High School students supported Herbert Hoover. Similarly, the other candidates were nominated.

In addition to these delegations, which were pledged to vote at first for "favorite sons" of their states, there were a number of delegations which were free to vote as they pleased.

The convention had its committees for rules and order of business, for credentials of the delegates, for permanent organization, and for resolutions. The delegates spent the first session agreeing upon these details, thus ensuring a smoother operation of the convention in general.

Before nominating the party's standard-bearers, the delegates also adopted a platform. After several hours of heated debates, they voted in favor of a federal relief program; a balanced budget; a continuation of the social security program, the National Youth Administration, the Civilian Conservation Corps; and the payment of subsidies to farmers. In their labor plank, the delegates called for certain changes in the powers of the National Labor Relations Board and for the adoption of the child labor amendment to the Constitution. Although favoring the Securities and Exchange Commission, they advised the removal of government fetters from business and a return to the gold standard. They were critical of the reciprocal trade agreements program. On foreign policy, they supported a policy of isolation and strict neutrality, with adequate provisions for national defense.

All the trappings and noise which will be in evidence when the actual Republican national convention meets in Philadelphia this summer were introduced as the "state

delegations" started to nominate favorite sons. Vandenberg, of course, was nominated by the students playing the part of Michigan delegates, and another state delegation provided an enthusiastic speech to second the nomination. The rest of the candidates were proposed to the convention in a similar fashion. Stirring speeches extolled the virtues of the nominees, and cheering sections, with brass bands, gave noisy support.

After the first roll call, the convention's votes were scattered among Senator Vandenberg, Senator Norris, Senator Taft, Thomas E. Dewey, Frank Gannett, Representative Joseph Martin, Governor James of Pennsylvania, Herbert Hoover, and Senator Bridges.

Senator Norris was a "dark horse," even after several additional tests of voting strength, but Senator Vandenberg steadily gained ground during succeeding roll calls of the delegates. Conceding that their "favorite sons" could not win, state delegations began to switch their support, until enough votes had been mustered to put Vandenberg at the head of the party ticket. In the same spirited fashion, the convention chose Senator Taft as the party's vice-presidential nominee.

Do You Keep Up With the News?

(For answers to the following questions, turn to page 8, column 4)

1. What new British liner ran the German submarine blockade on her maiden voyage and reached New York safely where she is expected to remain for the duration of the war?
2. What important official spoke his native tongue rather than the enemy language when Sumner Welles visited him?
3. The United States high commissioner to the Philippine Islands is (a) Joseph Grew, (b) Paul V. McNutt, (c) Francis B. Sayre, (d) Manuel Quezon. He believes that the Philippines should gain their independence in 1946, the year set by Congress. True or false?
4. What Finnish port, in the midst of the Soviet-Finnish war, means "place of sacrifice" in Swedish?
5. The 1940 census is the country's (a) 14th, (b) 15th, (c) 16th, (d) 19th.
6. Who is the king of Egypt?
7. Who lives in the Palazzo Venezia in Rome?
8. There are more than 1,000,000 Arabs and only 500,000 Jews in Palestine today. True or false?
9. Sweden exports 60 per cent of her iron ore to what country?
10. The youthful Prince Otto, who arrived in Baltimore on the Yankee Clipper to study American democracy, is the heir to the throne of what extinct country?
11. What neutral country has been involved in a dispute with Great Britain over the seizure of German coal from her ships?
12. What famous American, in asking United States aid for the Poles before a congressional committee, said: "Such humanitarian assistance embraces no threat of involvement in the European war"?
13. The latest country at war to introduce rationing is (a) England, (b) Germany, (c) Finland, (d) France.
14. The World War Belgian relief cost \$1,200,000,000. True or false?
15. The Senate approved a \$17,500 salary item recently to keep our ambassador in What is his name?
16. The Hatch Act up before Congress (a) prevents federal employees from participating in political activities, (b) provides for building dams in Tennessee, (c) gives funds for new Panama Canal defenses, (d) makes lynching a federal offense.
17. Sumner Welles' tour to the European capitals resembles what other famous American's trips during the early years of the first World War?
18. Sweden once ruled Finland for six centuries until the early eighteenth century. True or false?
19. The present French minister of finance is (a) Georges Bonnet, (b) Pierre Montet, (c) Paul Reynaud, (d) Leon Blum.
20. The year has the all-time record for aviation safety for commercial air lines, with only two accidents involving fatal injuries to passengers and crew.



• Vocational Outlook •

The Printing Trades

THE year 1940 is the 500th anniversary of the art of printing from movable type. But this observance applies only to the introduction of the principle to Europe by its German inventor, Johannes Gutenberg. The fundamentals from which printing was ultimately developed existed long ago among the ancient Assyrian nations, and as early as 50 B. C., the Chinese used blocks and clay tablets for printing. More than a thousand years later, in 1041, the Chinese invented the printing of books from movable type. Only a year separates the 500th anniversary of European printing from the 900th anniversary of the Chinese. Thus, the printing vocations rank among the world's oldest occupations.

In the United States today a third of a million people are engaged in the printing trades. Some men and women work in newspaper and magazine offices, or in book publishing houses; others work in engraving, lithographing, stereotyping, and electrotyping establishments. About 12,000 companies make less than \$5,000 a year, whereas 22,000 do a greater business than this. Anyone interested in the printing trades should visit the print shop in his town or city and personally observe the operations involved in the two main branches of this work—composing and presswork.

The operator in the composing room is kept busy with the typesetting machines, the linotype and intertype, which are much more complicated to operate than typewriters. His task consists in figuring out the arrangement, spacing, and other details of setting up the type. He must know how to punctuate, spell, and divide words in order to weed out mistakes from the copy sent to him in rough form for setting.

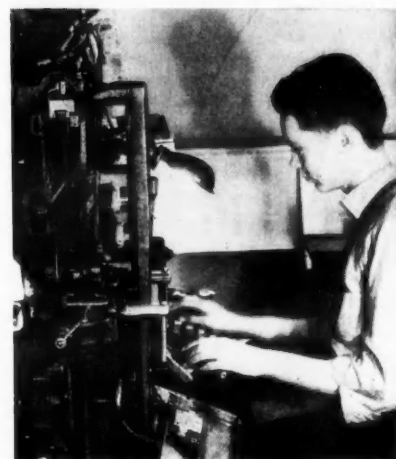
The compositor gathers the type into page form after it has been set by the linotype operator. He must possess an artistic sense, as his skill has everything to do with the appearance of the final page. In many small shops, the compositor sets the type by hand, assembles it into plate form, and locks these forms into a frame so that they will be ready for the press. But in larger shops, the lockup man does the technical work of getting the page form into final shape. Both the compositor and lockup man must be mathematically minded, for accurate measurements are required.

The proofreader then reads the printed

copy and marks the corrections which must be made. The photoengraver gets pictures ready for printing. He takes a photograph and, by a combination of photographic and chemical processes, produces what is called a "cut." When the paper is placed against the "cut," the picture one sees in print is reproduced. The lithographer, whose job is closely allied to photoengraving, reproduces pictures and printed materials. The electrotypers and stereotypers make duplicate copies of the forms which the lockup man has made ready for the press. If a large number of copies of a publication must be run off in a hurry, the original can be run on one press and the duplicate forms on the other.

The pressman must have considerable mechanical ability and be able to keep the press running under any conditions. The simplest press is the platen or "jaw" press which is found in all small print shops. In contrast to this machine is the huge rotary press which turns out printed pages at a high speed. The pressman must possess a certain artistic sense in order to turn out a neat printing job.

Printers make relatively good pay. In a recent year, the average union rate per hour for all types of skilled printers was \$1.17. The following rates prevailed for



LINOTYPE OPERATOR

union workers in newspaper establishments: hand compositors, \$1.28 an hour; photoengravers, \$1.45 an hour; pressmen, \$1.12 an hour; stereotypers, \$1.12 an hour. For night work, each received a slightly higher wage. The average union printer works 40 hours a week and makes \$200 a month or \$2,400 a year. But in a good many small shops, printers do not belong to unions, and their earnings will vary somewhat. The majority of workers in the printing trades are steadily employed and fared well during the depression years.

The printing field offers excellent opportunities for young people, for there is an actual shortage of labor in certain branches, such as proofreading. Only about one-fourth enough apprentices enter the industry to take places left by the 10,000 retirements each year. The individual taking up this occupation must not mind working hard, often in a noisy shop, and frequently under high tension. The work is not unhealthful, but the printer's eyesight must be good.

Printing may be learned in high school, vocational or training schools, or in one of the 24 colleges in the United States offering such courses. Between 2,500 and 3,000 schools below college rank offer studies in book composition, platen presswork, elementary binding, machine composition, and cylinder presswork. The outstanding technical school with a four-year college course in printing is the Carnegie Institute of Technology at Pittsburgh, Pennsylvania. On the other hand, many printers enter the trade by the apprenticeship route. Employers' and printers' unions determine training regulations. The young apprentice must not be over 21 years when he starts and must expect to spend five years learning his job. Anyone who is interested in an apprenticeship should interview officials of the printing union in his local community.



SECURITY—THE OBJECT OF INSURANCE

Both private and public insurance is designed to combat the worst evils of poverty in old age and in times when the family has lost its wage earner.

TNEC Investigates Insurance Companies

(Concluded from page 6, column 3)

dollars, is now spending \$50,000,000 on a low-cost housing project in New York City, consisting of 12,000 apartments which will house 40,000 people and cover 39 city blocks.

Suppliers of Capital

During the last few years, insurance companies have been the largest single suppliers of capital to other businesses. In 1937 and 1938, they bought more than half of all the bonds offered for sale by corporations in the United States. The Metropolitan Life Insurance Company alone invests some \$700,000,000 a year, or \$2,000,000 every day. In making these investments of billions of dollars, the insurance companies have a great power over the industries of the country. They are in a position to decide which industries shall have loans and which shall not. They are able to exert in this manner a large degree of control over the industries to which they have lent money.

It must be remembered that when insurance companies invest all these funds they are really not investing their own money, but that of policyholders. Each individual who buys an insurance policy and who makes regular payments to a company is, therefore, really an investor. His money is flowing into the bonds of the federal and local government, of railroads, of public utilities, of corporations. It is being used to make loans to farmers and loans on city property.

But the investor, or policyholder, has little or nothing to say about his investment. He has no voice in the control of the company's policies. He may, it is true, exercise his right to vote for the company's executives, but few policyholders ever participate in these elections. Actually, a few executives make the decisions as to how the money shall be invested. A relatively small number of the heads of insurance companies, therefore, control a large proportion of all the investments made in the United States.

It should be clear, at this point, that the insurance companies are in a powerful economic position, with respect both to their individual policyholders and to the economic life of the nation. Few businesses or industries are in a position to exert a more powerful influence. How do they use this power? Do they protect and safeguard the interests of their policyholders as well as those of the public?

The evidence is reassuring on the question whether the insurance companies protect the interests of their policyholders. Not one of the largest of our insurance companies failed during the depression of the thirties. Much of their money was tied up in investments which could not readily be converted into cash. Some of the companies actually sustained losses. But they were able to meet the obligations which fell due. Insurance companies borrowed \$104,000,000 from the Reconstruction Finance Corporation during the de-

pression, but they have now paid back all this debt except \$3,000,000. A few small companies have failed, but they handled less than one per cent of the total insurance business of the country.

Here is another question: Are the insurance companies fair to their policyholders? Do they operate as economically as possible? Do they hold their profits down to a reasonable figure so as to give people insurance as cheaply as possible?

There is a sharp difference of opinion on this point. Certain critics point to the fact that the insurance companies pay their executives enormous salaries, some of them more than \$100,000 a year. The reply is given that in order to manage the companies wisely, the best brains must be obtained and that high salaries are essential for the most efficient management.

Another criticism of the insurance companies is that they waste money by keeping agents to sell insurance. These agents are paid a commission on the insurance they sell. About 12 per cent of all the money paid to insurance companies goes to pay agents' commissions and the expenses of management. Many people contend that this expense could be greatly reduced by eliminating agents and selling insurance "over the counter." Some have gone so far as to suggest that the government go into the insurance business and sell policies at post offices. They argue that the cost would, in either case, be considerably lower.

Those who defend present insurance practices argue that agents are an essential part of the insurance business; that the great majority of people would not buy insurance unless they were persuaded to do so. Agents, it is argued, render a great service by educating the public as to the benefits of insurance. Moreover, the argument is advanced that 12 per cent is not a large sum for selling insurance and managing the companies.

The Big Issue

All these questions are insignificant in comparison to the big issue: Should the government go more heavily into the insurance business than it already has? It has already entered the field on a fairly large scale in certain types of insurance, particularly unemployment insurance and old-age insurance. The Social Security Board acts as a gigantic insurance company for these types of insurance. It collects money from employers and employees which entitles employees to receive a regular monthly payment when they reach the age of 65 and retire. In the event of death before reaching that age, their families are given certain substantial benefits.

The unemployment insurance system is administered by the states, in cooperation with the federal government. Here the employer pays the entire tax. A fund is created to make payments to those who lose their jobs. The amount of the weekly payment and the number of weeks it is

continued vary from state to state, but the purpose of the program is to insure the workers against the hazard of unemployment.

There are many who feel that the government should go further and sell life insurance and other types of insurance in competition with the private companies. Senator Wagner has worked out one plan of public insurance which, he claims, would give the people insurance 30 per cent cheaper than they now get it. On this issue, there are three points of view:

Difference of Opinion

1. One view is that the government should go directly into the insurance business. We have already examined the arguments as to whether this plan would save money by eliminating insurance agents. There is, however, another argument which is raised by those favoring government insurance. It is argued that the private companies should not have such great power over the economic life of the nation. These companies collect as much from the public as the federal government does. They have power over billions of dollars. This power is too great, it is contended, to be in private hands.

On the other side is the argument that if the government took over the insurance business and had control of so many billions to be invested in industry, the government

would actually get control of industries. In order to find use for all the money it had collected from people, it would enter into industry. It would take over many industries and we would be on the road to socialism. It is argued, further, that the government would be tempted to use the money for other purposes, that it would use money collected from the people for the operating expenses of the government.

2. At the opposite extreme are those who say that the government should leave the insurance companies entirely alone. It should have nothing to do with any forms of insurance except those now included under its social security program. It is argued that the federal government should leave the matter of regulating insurance companies entirely to the states.

3. Middle ground is occupied by those who think that the government should not only maintain the social security program but should extend it and perhaps enter certain other fields of insurance, but should leave such insurance as life and fire insurance almost wholly to private companies. The federal government, it is argued by some of these people, assists the states in regulating the private companies.

It is difficult to say what will be the outcome of the TNEC's investigation of the insurance question. The whole subject is certain to be widely debated during the coming months.

Questions and References

1. How much money do the insurance companies collect a year in premiums? How does this compare with the amount collected in taxes by the federal government?
2. In what way do insurance companies control other businesses?
3. Of what do the investments of insurance companies largely consist?
4. What, in your opinion, should be the relationship between the federal government and the insurance companies?

REFERENCES: (a) The Case for Insurance. *Nation's Business*, January 1940, pp. 33-64. (b) Insurance Octopus, by R. L. Strout. *The Nation*, March 4, 1939, pp. 255-257. (c) S. E. C. Still After Insurance. *Nation's Business*, February 1940, pp. 90-91. (d) Let's Investigate Insurance. *The New Republic*, February 8, 1939, pp. 5-6.

Answer Keys

Do You Keep Up with the News?

1. Queen Elizabeth; 2. Foreign Minister Joachim von Ribbentrop of Germany; 3. (c). true; 4. Viipuri or Viborg; 5. (c); 6. Farouk; 7. Benito Mussolini; 8. true; 9. Germany; 10. Austria-Hungary; 11. Italy; 12. Herbert Hoover; 13. (d); 14. true; 15. Moscow, Russia; Laurence Steinhardt; 16. (a); 17. Col. Edward M. House; 18. true; 19. (c); 20. 1939.

Smiles

"Did the prisoner offer any resistance?" asked the judge.

"Only a dollar, Your Honor," replied the officer, "but I easily resisted it." —PANTHER

"Are you a college man?"

"No, a horse just stepped on my hat." —AMERICAN BOY

Freshman: "Have you been up before the dean?"

Sophomore: "Oh, I don't know. What time does he get up?" —SELECTED

"Is that tiny piece of cake for me, Ma?"

"No, that's for your little brother?"

"What! All of that for him?" —WALL STREET JOURNAL

License Clerk: "Sorry, madam, but licenses are issued only when your form is properly filled out."

Applicant: "The idea! I'll have you know we can get married no matter what I look like!" —SOUR OWL

Prospective Tenant: "I like this room, but the view from the windows is rather monotonous."

Landlord: "Well, of course, this is just a rooming house, it isn't a sightseeing bus." —FORBES MAGAZINE

Surgeon: "Could you pay for an operation if I thought one was necessary?"

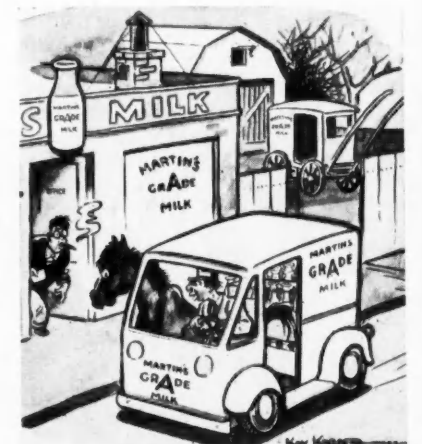
Patient: "Let me ask you first, Doc, whether you would find an operation necessary if I couldn't pay for it?" —CAPPER'S WEEKLY

"This salad tastes terrible. Did you wash the lettuce, Milly?"

"Yes, even with soap." —SELECTED

"Another new outfit, dear?" asked Mr. Hobson. "Where on earth do you think I'll get the money to pay for it?"

"Whatever my faults may be, darling," replied his wife sweetly, "I'm not inquisitive!" —LAMPION



"OF COURSE I'LL STILL NEED HIM. HE'S THE ONE WHO KNOWS THE STOPS." —KARAFFA IN COLLIER'S